

AR18

# 1974 ANNUAL REPORT

NUMAC OIL  
& GAS  
LTD.





# NUMAC OIL & GAS LTD

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## 1974 ANNUAL REPORT

### YEAR IN BRIEF

- **Mackenzie Delta**  
Two of the three commitment wells commenced drilling in October, 1974 ----- page 5
- **North Sea**  
Block 9/4 is scheduled for drilling, probably in 1976 ----- page 7
- **Athabasca Oil Sands**  
Proved 20 billion barrels of bituminous oil in place and over 100 billion cubic feet of natural gas on 100% owned property ----- page 9
- **Alberta Petroleum Exploration Plan — December, 1974**  
Stimulants provided to strengthen cash flow to offset effect of federal government budget of November 18 ----- page 11

### HIGHLIGHTS OF OPERATIONS

	1974	1973
Gross Income, net after royalties	\$ 6,404,029	\$ 4,582,396
Net funds Generated from Operations	4,060,090	3,361,734
Net Income	1,892,116	1,396,708
Working Capital	5,661,175	5,335,001
Fixed Assets, Net	27,028,485	22,458,739
Number of Shares Outstanding	4,325,566	4,325,566
* Per Share:		
Net funds generated from operations	.94	.79
Net Income	.44	.33

\* Based upon weighted average number of shares outstanding



# PRESIDENT'S REPORT TO THE SHAREHOLDERS

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We are pleased to report that your Company experienced another year of significant growth in 1974. Gross income increased 40% to \$6,404,029, net funds generated from operations were \$4,060,090 versus \$3,361,734, and net income was up 35% to \$1,892,116 compared with \$1,396,708 in 1973.

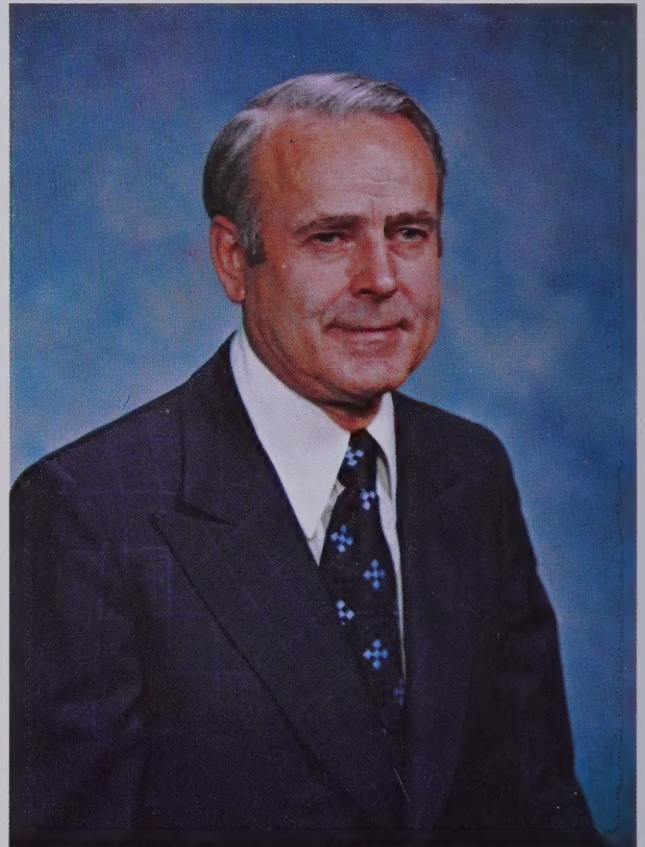
Political confrontations in 1974 between the oil producing provinces and the Federal Government over the sharing of royalties and taxes resulted in increased taxes to the producing and exploration companies. Some of the severe tax changes proposed, undermined the confidence of both the exploration companies and the investment community. The Alberta Government restored a great deal of this lost confidence on December 12 when it announced its Alberta Petroleum Exploration Plan. The Alberta Plan increased net returns to the producer by reducing royalties and taxes retroactively to May 6, 1974 and in addition increased drilling footage incentives for exploratory drilling.

Numac's Management was encouraged by this announcement since 99% of your Company's production income originates in Alberta. Because of this assured increase in cash flow, together with promised increases in the wellhead price of crude oil and gas early in 1975, Numac's exploratory budget will be substantially increased within the Province of Alberta.

Two of the three Mackenzie Delta commitment wells being drilled by Sun Oil Company Limited on Numac's carried interest properties were under way as of year end. Details of this and other significant exploratory programs will be found within the body of this Report.

Numac's 118,975 acre Surmont property, which is 100% owned, has significant longer term potential for the future of the Company. Fifteen wells had been drilled at year end. Some wells had gas above the McMurray sands and in addition all cored rich sections of bituminous oil sands. Six additional wells are planned for the property in 1975. A Permit for an In-situ Pilot Plant was applied for and approved by the Alberta Resources Energy Conservation Board. Outside consultants report Numac's property to have in excess of 20 billion barrels of oil, in place, and more than 100 billion cubic feet of gas above the oil sands.

The construction division again had a good year which compared favorably with 1973. Nu-Alta Developments



Ltd. (60% owned by Numac) contributed modestly to net income since income and expenses of that company were only included for the last seven months of 1974.

Due to the combination of higher wellhead prices obtained in 1974 together with further increases indicated for 1975 and the absence of debt against its oil and gas reserves, Numac is in a strong financial position to take advantage of the improved political and economic climate in Alberta.

The Company's achievements in 1974 are a direct result of the dedication and loyalty of the small but efficient staff, and it is my pleasure on behalf of the Directors to thank them for the results we are presenting.

On behalf of the Board of Directors

*W. S. McGregor*

President

March 14, 1975



# EXPLORATORY AREAS IN CANADA 3





**PELLY LOCATION**  
— Mackenzie Delta

*Barge Location —  
Barge was floated to  
the location, then  
submerged*

*Operated by Sun Oil  
Company Limited*



**UNARK LOCATION**  
— Mackenzie Delta

*Man-Made Island  
Location — size  
approximately  
250 feet by 400 feet*

*Operated by Sun Oil  
Company Limited*





**NUMAC OIL & GAS LTD.**  
**PETROLEUM PLAZA, 9915 - 108 STREET**  
**EDMONTON, ALBERTA**

**PROXY**  
**SOLICITED BY MANAGEMENT FOR**  
**ANNUAL MEETING OF SHAREHOLDERS**

The undersigned, being a shareholder of Numac Oil & Gas Ltd. hereby appoints W. S. McGregor, of Edmonton, Alberta, or failing him, \_\_\_\_\_ as proxy, with power of substitution, to attend the Annual General Meeting of the Company to be held on the 24th day of June, 1975, and at any adjournment thereof, notice of which meeting with the Proxy Statement — Information Circular accompanying the same has been received by the undersigned, and on behalf of the undersigned:

1. AUTHORITY GRANTED ☐ or AUTHORITY WITHHELD ☐ to vote upon the election of the Nominees as set forth in the Proxy Statement — Information Circular as Directors of the Company.
2. To vote FOR ☐ AGAINST ☐ the appointment of Winspear, Higgins, Stevenson & Co. as auditors of the Company.
3. To vote in his discretion upon any other business which may properly come before the meeting.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 1975.

\_\_\_\_\_  
\*Signature of Shareholder

┌                      ┐  
\*If shareholder is a corporation the proxy should be signed under corporate seal or under the hand of a duly authorized officer or attorney.

The shareholder submitting the proxy shall have the right to appoint a person to represent him, or it, at the meeting, other than W. S. McGregor. To exercise this right, the shareholder may insert the name of the desired representative in the blank space provided above and strike out the other name or may submit another appropriate proxy.

The shares represented by this proxy will be voted as specified by the shareholder, but if no specification is made they will be voted for the election of the Nominees as set forth in the Proxy Statement-Information Circular and for the appointment of Winspear, Higgins, Stevenson & Co., as auditors.

┌                      ┐  
The Management knows of no matters to come before the Annual General Meeting of Shareholders, other than the matters referred to in the Notice of Meeting. However, if any other matter properly comes before the meeting, this proxy confers discretionary authority upon the shareholder's nominee to vote on such matters in accordance with his best judgment.

**BUSINESS  
REPLY MAIL**

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in Canada**

**Postage will be Paid by**



**NUMAC OIL & GAS LTD.  
c/o THE ROYAL TRUST COMPANY  
500 ROYAL TRUST TOWER  
EDMONTON CENTRE  
EDMONTON, Alberta  
Canada, T5J 2Z2**

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**FOLD HERE**

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**FOLD HERE**



# NUMAC OIL & GAS LTD.

Petroleum Plaza, 9915 - 108 Street, Edmonton, Alberta, Canada

## NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

JUNE 24, 1975

NOTICE is hereby given that the Annual General Meeting of the Shareholders of Numac Oil & Gas Ltd. will be held in the Consulate Room, Edmonton Plaza Hotel, in the City of Edmonton, Province of Alberta, on Tuesday, the 24th day of June, 1975 at the hour of 9:00 o'clock in the forenoon for the following purposes:

1. To receive and consider the report of the Directors, the Financial Statements of the Company for the period ended December 31, 1974 and the Auditors' Report thereon;
2. To elect Directors for the ensuing year;
3. To appoint auditors of the Company for the ensuing year;
4. To transact such other business as may properly come before the Meeting or any adjournment thereof.

Shareholders of the Company of record at the close of business on May 30, 1975 are the only shareholders entitled to notice and to vote at the Meeting. The transfer books will not be closed.

A copy of the Annual Report and Information Circular accompany this Notice.

DATED at the City of Edmonton, Province of Alberta, this 14th day of March, 1975.

By Order of the Board of Directors,

C. R. S. MONTGOMERY,  
Secretary.

Shareholders who do not expect to attend the said Meeting in person are requested to complete the accompanying Proxy and mail same to the Company c/o The Royal Trust Company, 500 Royal Trust Tower, Edmonton Centre, Edmonton, Alberta, so that it will be in the possession of the Company not later than 48 hours before the time fixed for the Meeting. A stamped self-addressed envelope is attached for this purpose.



# NUMAC OIL & GAS LTD.

Petroleum Plaza, 9915 - 108 Street, Edmonton, Alberta, Canada

## PROXY STATEMENT — INFORMATION CIRCULAR

### GENERAL INFORMATION

This Statement and Information Circular is furnished in connection with the solicitation by the management of Numac Oil & Gas Ltd. (the Company) of proxies to be used at the Annual General Meeting of Shareholders of the Company to be held on June 24, 1975 at the time and place and for the purposes set forth in the accompanying Notice of Meeting. Unless otherwise noted, the information contained herein is given as of December 31, 1974. All sums are expressed in Canadian Dollars. This Proxy Statement-Information Circular will be forwarded to shareholders on or about March 21, 1975.

### SOLICITATION OF PROXIES

The enclosed Proxy is solicited by and on behalf of the management of the Company. All expenses in connection with this solicitation of proxies will be borne by the Company.

### APPOINTMENT AND REVOCATION OF PROXIES

The person named in the enclosed form of Proxy is a director and officer of the Company. A shareholder desiring to appoint some other person to represent him at the meeting may do so either by inserting such person's name in the blank space provided in the form of Proxy and striking out the name of the specified person, or by completing another proper form of Proxy and, in either case, delivering or sending it to the Secretary of the Company so that it will be in the Secretary's hands not later than 48 hours before the time fixed for the meeting. A shareholder who has given a proxy may revoke it, as to any motion on which a vote has not already been passed pursuant to the authority conferred by it, by signing a proxy bearing a later date or written notice of revocation and, in either case, delivering it to the Secretary of the Company at its Head Office at any time up to and including the last business day preceding the day of the meeting or to the Chairman of the meeting on the day of the meeting.

### EXERCISE OF DISCRETION BY PROXIES

Shares represented by properly executed proxies in favour of the person designated in the enclosed form of Proxy will be voted. Such shares will be voted for the election of directors and the appointment of auditors as stated under those headings in this circular. The enclosed form of Proxy confers discretionary authority upon the person named therein with respect to other matters which may properly come before the meeting in the Notice of Meeting, and with respect to other matters which may properly come before the meeting. At the time of printing this circular the management of the Company knows of no such amendments, variations or other matters to come before the meeting other than the matters referred to in the Notice of Meeting.

### VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

On January 31, 1975 the Company had 4,325,566 common shares issued and outstanding, each share being entitled to one vote at the meeting. Shareholders of record as of May 30, 1975 (as set out in the Notice of the Annual General Meeting of Shareholders) will be entitled to attend and vote at the meeting or to be represented thereat by proxy.

To the knowledge of the directors and senior officers of the Company, The Pitcairn Company is the only person or company which beneficially owns, directly or indirectly, shares carrying more than ten per cent of the voting rights attached to all the common shares of the Company. On January 31, 1975 the share holdings of this company were as follows:

The Pitcairn Company	450,000 shares	10.403%
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### ELECTION OF DIRECTORS

The directors of the Company are elected annually and hold office until the next Annual General Meeting of its shareholders, or until their successors are appointed. The person named in the enclosed form of Proxy intends to vote for the election of the nominees whose names are set forth in this Information Circular, all of whom are now members of the Board of Directors and have been since the dates



indicated. The management does not contemplate that any of the nominees will be unable to serve as a director but, if that should occur for any reason prior to the meeting, the person named in the enclosed form of Proxy reserves the right to vote for another nominee in his discretion. Each director elected will hold office until the next Annual General Meeting and until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws. The Board of Directors has no audit or similar committee.

The following table and notes thereto state the names of all the persons proposed to be nominated for election as directors, all of the positions and offices with the Company now held by them, their principal occupations and employments, the date on which each became a director of the Company and the approximate number of common shares of the Company beneficially owned, directly or indirectly, by each of them as of January 31, 1975.

<u>Name</u>	<u>Other Positions and Offices with the Company presently held</u>	<u>Principal Occupation</u>	<u>Became Director</u>	<u>Common shares held</u>
Ralph A. Bard, Jr.	Nil	Investments, self-employed executive. Chicago, Illinois	1963	42,800
Lawrence L. Bell	Nil	Self-employed executive. Toronto, Ontario	1963	2,000
(1) Hadley Case	Nil	Chairman — Felmont Oil Corporation, New York, N.Y.	1963	500
Alexander N. MacIver	Nil	Partner — Jackson, Arlette & MacIver — Barristers and Solicitors Edmonton, Alberta	1963	4,850
(2) Stewart D. McGregor	Nil	Partner — Cormie Kennedy — — Barristers and Solicitors Edmonton, Alberta	1974	29,900
(2) William S. McGregor	President	President and Managing Director of the Company. Edmonton, Alberta	1963	42,990
(3) Jack W. Robbins	Nil	Senior Vice-President and General Counsel of Pitcairn Incorporated. Jenkintown, Penn.	1970	500
Marshal Stearns	Nil	President T. A. Richardson & Co. Limited — Investment Dealers Toronto, Ontario	1963	5,000
Lloyd F. Stevens	Nil	Executive Vice-President Allpak Products Limited — Diversified Investment and Holding Company London, Ontario	1968	1,000

(1) In addition to his personal ownership of shares as shown above, Mr. Hadley Case is associated with Felmont Oil Corporation and Essex Royalty Corporation which are the beneficial owners of 75,000 shares and 150,000 shares respectively.

(2) In addition to their personal ownership of shares as shown above, Mr. William S. McGregor and Mr. Stewart D. McGregor are associated with W. S. McGregor Investments Ltd. which company is the beneficial owner of 254,566 shares.

Subject to the vesting provisions of the Company's Stock Purchase Plan, Mr. William S. McGregor is the beneficial owner of an additional 12,000 shares held by the Trustee under the plan.

(3) In addition to his personal ownership of shares as shown above, Mr. Jack W. Robbins is a director and officer of Pitcairn Incorporated (a wholly-owned subsidiary of The Pitcairn Company of Wilmington, Delaware, U.S.A.) the principal business of which is providing financial services to The Pitcairn Company. The Pitcairn Company is a personal holding company which is the beneficial owner of 450,000 shares.



## REMUNERATION OF DIRECTORS AND SENIOR OFFICERS AND STOCK OPTIONS

During the year ended December 31, 1974 no director or officer of the Company received aggregate direct remuneration from the Company in excess of \$40,000 except William S. McGregor and Wilfred J. Wilson. Additional information with respect to remuneration paid to directors and senior officers and the five highest paid employees during the year follows:

	<u>Aggregate Direct Remuneration</u>
William S. McGregor President and Director	\$ 53,000
Wilfred J. Wilson Vice-President, Exploration	42,420
All officers and directors as a group consisting of thirteen individuals	183,511
All officers and directors and each of the five highest paid employees as a group	224,294

Pursuant to the provisions of the Company's Key Employee Stock Purchase Plan, which was approved by the shareholders of the Company on June 14, 1973, the following table sets forth, for each officer and a director who is also an officer, the number of treasury shares purchased through the Trustee under the Plan, the date of purchase, the purchase price and the market value per share at date of purchase and the amount of the non-interest bearing indebtedness to the Trustee outstanding at date of purchase, which is also the amount outstanding as at January 31, 1975.

<u>Name</u>	<u>Number of Shares Purchased</u>	<u>Date of Purchase</u>	<u>Purchase Price and Market Value Per Share at Date of Purchase</u>	<u>Indebtedness to the Trustee</u>
W. S. McGregor	12,000	June 26, 1973	\$15.00	\$180,000
J. T. Ferguson	10,000	June 26, 1973	\$15.00	\$150,000
C. R. S. Montgomery	10,000	June 26, 1973	\$15.00	\$150,000
D. F. Baker	10,000	June 26, 1973	\$15.00	\$150,000
W. J. Wilson	10,000	September 19, 1973	\$16.88	\$168,800

## APPOINTMENT OF AUDITORS

Winspear, Higgins, Stevenson & Co. and its predecessors, which have been auditors of the Company since its incorporation in 1963, unless otherwise instructed by proxies given pursuant to this solicitation, will be voted for its reappointment as auditors to hold office until the next Annual General Meeting of Shareholders at a remuneration to be fixed by the Board of Directors. **The firm of Winspear, Higgins, Stevenson & Co. has no financial interest, direct or indirect, in the Company or any subsidiary, nor has it had any such interest in or connection with the Company or any subsidiary during the past three years, except the usual relationship between auditors and client.** A representative of the firm of Winspear, Higgins, Stevenson & Co. is expected to be present at the Annual General Meeting of Shareholders to make a statement if requested and answer appropriate questions.

## RECEIPT AND PRESENTATION OF REPORTS

The Report of the Directors of the Company and the Financial Statements and Auditors' Report for the year ended December 31, 1974 will be presented to the Meeting.

## OTHER BUSINESS

The management knows of no matters to come before the Annual General Meeting of Shareholders other than those matters referred to in the Notice of Meeting. However, if any other matters properly come before the meeting it is the intention of the person named in the instruments of Proxy to vote such proxies in accordance with his judgment on such matters.

By Order of the Board of Directors,

C. R. S. MONTGOMERY,  
Secretary

Dated March 14, 1975



Unfortunately Sun was forced to abandon the Pelly test in late January, 1975 at a depth of 10,919 feet due to overpressure problems. No commercial hydrocarbons were encountered to the depth drilled.

Numac has a 20% net carried interest in the 270,242 permit acres farmed out in 1973 by Bow Valley Industries Ltd. and Arctic Coast Petroleum Ltd. to Sun Oil Company Limited. In addition to the basic net carried interest, Numac will receive, under certain circumstances additional benefits including: \$200,000 per year commencing January, 1975 for a maximum of eight years, the right to receive prepayments if any, and receive income from first production.

A minimum of one additional test will be drilled by Sun on the properties at a time and location to be announced. Sun also intends to carry out a major seismic program on the properties in 1975.



# WESTERN CANADIAN SEDIMENTARY BASIN

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During 1974 Numac participated directly in the drilling of 22 gross wells (14.02 net wells). Seven were completed as conventional oil or gas wells and seven were classed as non-commercial and abandoned. Eight penetrated a thick section of bituminous oil sands pay. This 1974 program established a net gain for the Company on its remaining recoverable conventional crude oil reserves, net before royalty, which now are estimated to be in excess of 10.6 million barrels. Based on present estimates, oil sands reserves, in place, were increased from 7.5 billion barrels to more than 20 billion barrels, while natural gas reserves are indicated to be approximately 100 billion cubic feet, net before royalty.

Eight Granite Wash oil wells were drilled in the RED EARTH-UTIKUMA areas of Alberta, all of which are now on steady production. One test, which encountered an above average pay section for the area, is owned 100% by the Company, while its net interest in the other wells drilled in this area is 50%.

A further seven wells were drilled in the SURMONT area during the 1974 winter season. These wells established bituminous oil sands sections in the Wabisca/McMurray formation which more than doubled the estimated reserves, in place. (See page 9 for further details.)

The Company held a 50% interest or less in the dry holes drilled in Alberta, consisting of one well at each of the FOX CREEK, CADOTTE, GOLDEN, EUREKA and RED EARTH areas. A test well in the CONROY CREEK area, British Columbia, failed to find production.

During the year, Numac acquired petroleum and natural gas properties in what are considered to be potential areas in the ALBERTA and BRITISH COLUMBIA sectors of the Western Canadian Sedimentary Basin. Some of the British Columbia purchases were made to protect existing holdings while others were in geological trends or areas of interest. The acquisitions were in the BUCKINGHORSE, BUICK CREEK, CLARKE LAKE (EAST), FIREWEED (JEANS), HELMET, SILVER, RED CREEK, ALTERES, CONROY CREEK, KOTCHO and TRUTCH areas. Numac's interests vary from 25% to 100%.

In Alberta, interests varying from 25% to 100% were gained in properties through farm-in arrangements and by purchases at Crown Sales. Acquisitions were in the BRAZEAU, BISON LAKE, CLYDE LAKE, DIXONVILLE, FOX CREEK, GOLDEN, JUDY CREEK, KIMIWAN, LUBICON (SEAL), MUD LAKE,

MUSKEG, REDFISH and RED EARTH areas. Drilling and other exploration activities are planned for several of Numac's Alberta properties, including the new areas listed, during 1975.

Petroleum and Natural Gas holdings as of December 31, 1974 were:

	Gross	Net
Alberta	624,087	295,425
British Columbia	292,827	102,612
*Other areas (including U.K. interests)	392,478	13,169
	<u>1,309,392</u>	<u>411,206</u>

(\* Included in the gross figures are Numac's interests in the Mackenzie Delta (270,242 acres), but a "net" figure is not given because of the nature of the interests.)

It was stated in the 1973 Annual Report that a sharply stepped up land acquisition program was being initiated in Alberta and British Columbia. As a result increased drilling activities were predicted. It is well known to those who follow oil and gas industry activities that shortly after 1974 began the industry was caught in the middle of a rash of Governmental tax and policy reversals which continued throughout most of the year. It was impossible to make intelligent exploration and development plans because there was no way the "ground rules" could be determined. This resulted in a sharp curtailment of Numac's land acquisition and exploration activities, including postponement of plans to drill six wells in British Columbia, until the royalty and tax situation improves.

On the other hand, the Alberta Government took several steps in the latter part of 1974 which made the climate for oil and gas investment in Alberta particularly attractive to independent companies of Numac's size. Shortly after Premier Lougheed's announcements, Numac stepped up its activities in Alberta significantly and plans to be increasingly aggressive in Alberta during 1975.

As a direct result of the increased activities referred to above, Numac has, early in 1975, participated in two gas wells in the DIXONVILLE area and one in the RADIAL area. The Company's interest in one well is 100% and 50% in the other two. Land is held strategic to these wells and additional drilling will be carried out in the near future. Further, lands attractive for gas exploration have recently been purchased in Alberta Crown Sales. As several wells are planned for these properties early in 1975, we anticipate the Company will realize an increase in its natural gas reserves.



## NORTH SEA... CELTIC SEA

The Company has an 11¼% interest in Block 9/4 in the British sector of the North Sea, and an 8-1/6% interest in Block 103/27 in the Celtic Sea.

Relative to a number of recent discoveries, Block 9/4 appears to be favorably located in the Tertiary basin. Drilling activities by other operators have established significant reserves on acreage close to Block 9/4.

Seismic has been completed and the partners are planning to drill a deep test on this block when a drilling rig capable of coping with excessive pressures becomes available. This will probably be in early 1976.

There are no immediate drilling plans for Block 103/27 in the Celtic Sea.

## OILFIELD CONSTRUCTION

Income from the oilfield construction division remained relatively constant in 1974. Although the past year was one of uncertainty for oil and gas explorers in Canada, this division was able to continue to provide a significant contribution to the consolidated net income and net funds generated from operations.

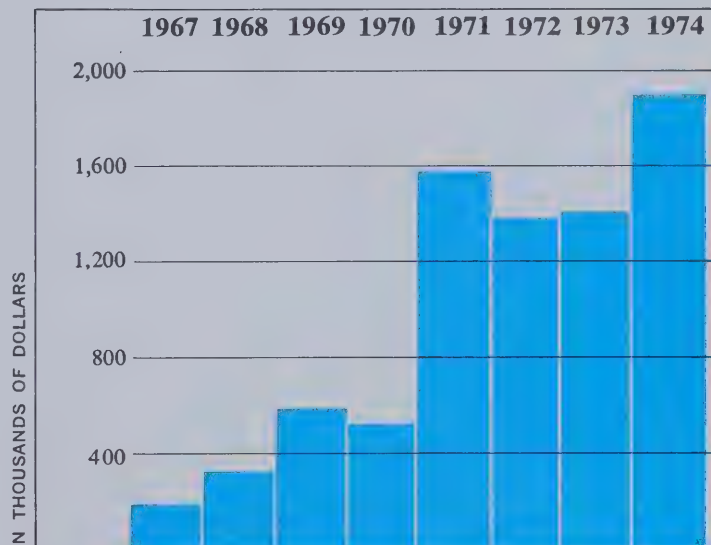
The prime area of activity for this division is in the Mackenzie Delta, although measures have recently been taken to strengthen the Alberta operation, mainly in the Fort McMurray area.

## CANADIAN ARCTIC GAS STUDY GROUP

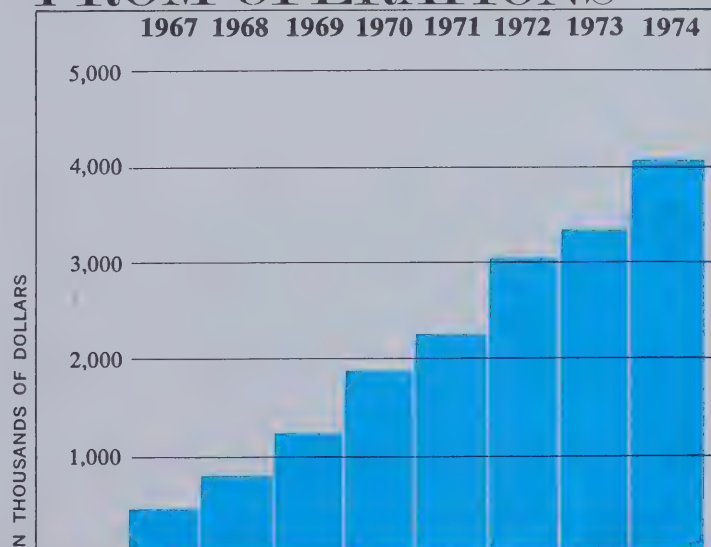
In 1974 Numac entered into an Agreement with Sun Oil Company Limited which provided that Sun Oil would be joint participant with Numac in the Arctic Gas Study Group. Under the terms of the Sun-Numac Agreement, Sun agreed to make all future financial contributions to the Study Group on behalf of the joint participation.

On March 21, 1974, Canadian Arctic Gas Pipeline Limited made application to the National Energy Board to build a major natural gas pipeline to transport gas from the gas supply areas in the Mackenzie Delta and Prudhoe Bay, Alaska, to Canadian and United States markets. To date, the Study Group has expended approximately \$70 million.

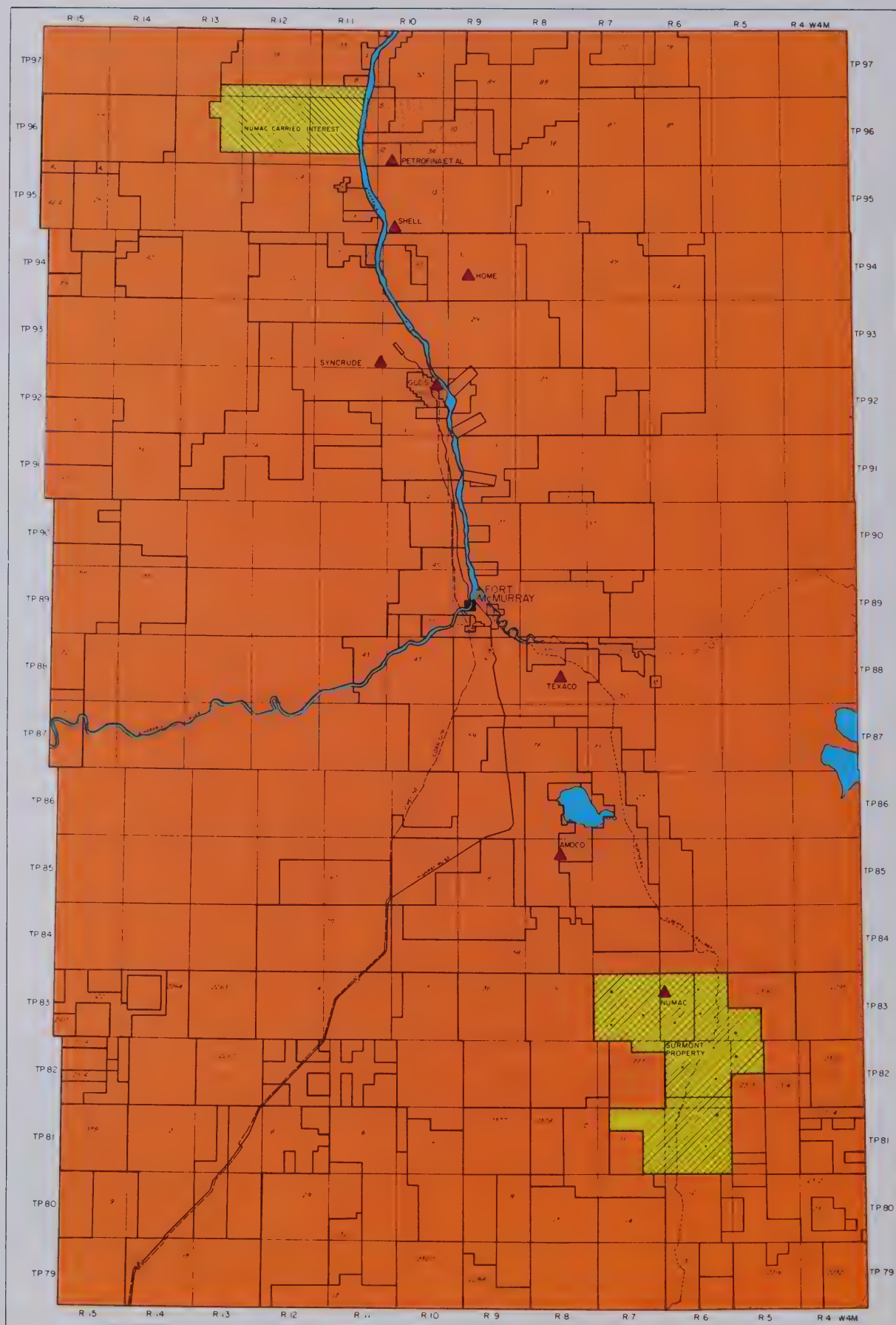
## NET INCOME



## NET FUNDS GENERATED FROM OPERATIONS









# ATHABASCA OILSANDS... SURMONT, ALBERTA

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## Major Oil Sands Reserves

The drilling of an additional eight wells early in 1974 on the Company's 100% owned Surmont property has confirmed a major discovery in excess of 20 billion barrels of bituminous oil in place. Outside consultants confirmed the magnitude of the discovery and indicated this property may be one of the most attractive in the South Athabasca area in terms of depths, purity of sands, thickness and other features. The Company has used the services of three independent consulting firms in the evaluation of the property.

## Significant Natural Gas Reserves

In addition to the bituminous oil discovery, many of the test wells drilled in 1973 and 1974 encountered gas above the oil deposit. Presently, the total amount of gas reserves on the 118,975 acre property has not been fully determined as all wells were not tested. From the work program done to date, there are approximately 100 billion cubic feet in place.

## Application For Pilot Plant

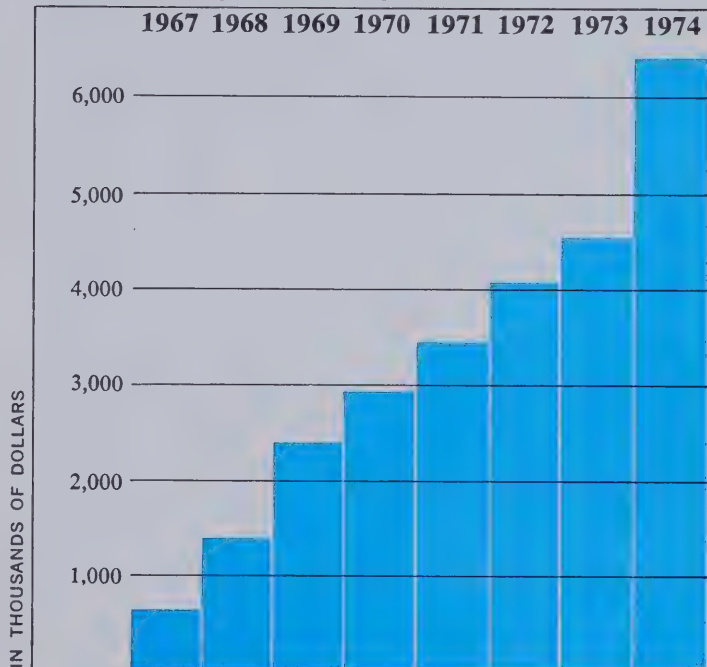
In September 1974, Numac filed an application, which was subsequently approved in principle, with the Alberta Energy Resources Conservation Board, under Section 43 of the Oil and Gas Conservation Act, to conduct an experimental In-situ recovery operation on the property.

The Company is continually having discussions with Provincial Government authorities and other parties regarding plans to escalate the pilot operation eventually, into a full scale plant capable of volumes in excess of 100,000 barrels per day.

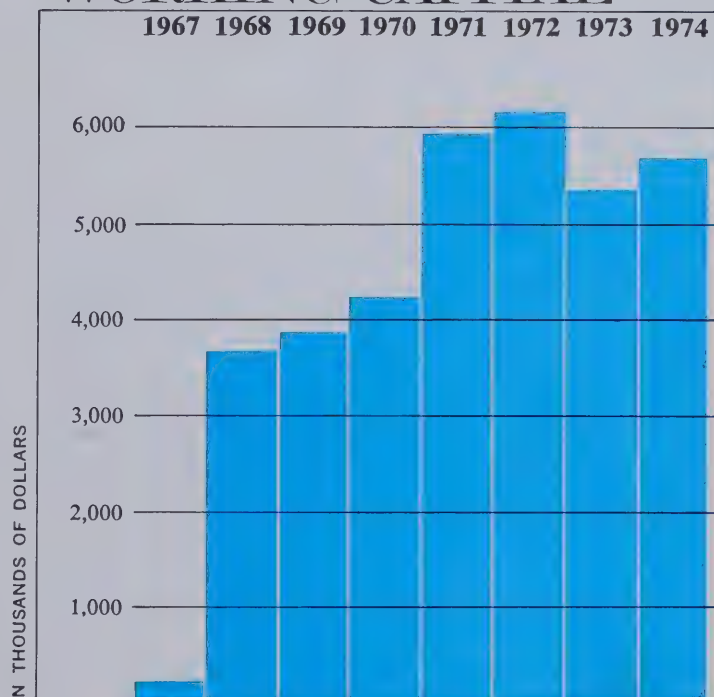
## Current Work Program

During February and March 1975, the Company will drill, core and test a further six wells on the property making a total of 21 wells drilled. Five of the test wells will be drilled within a radius of one mile of the planned location of the pilot operation in order to confirm the site.

## GROSS INCOME



## WORKING CAPITAL





## MINING EXPLORATION

The Company's mining exploration thrust in 1974 was mainly concentrated on two gold properties in the Northwest Territories. Exploratory work on both these properties, located near Yellowknife, confirmed the presence of gold but commercial development is dependent upon further detailed drilling and the future price of gold.

Exploration for uranium in Northern Saskatchewan has been limited but is continuing in the Wollaston Lake and Carswell areas. Further exploratory plans are being made for 1975.

Due to the royalty and tax structure in the Province of British Columbia, the Company has been reluctant to proceed with exploratory programs in that province unless a property has unusual geological merit. Early in 1975, the Company entered into an agreement whereby it may earn an interest in a gold property near Hope, B.C. by participating in an exploration and development program. Preliminary indications reveal this property may have good potential and it is hopeful that a major ore body will be discovered.

Numac holds a 24.6% interest in a delineated bituminous coal property near Princeton, B.C.

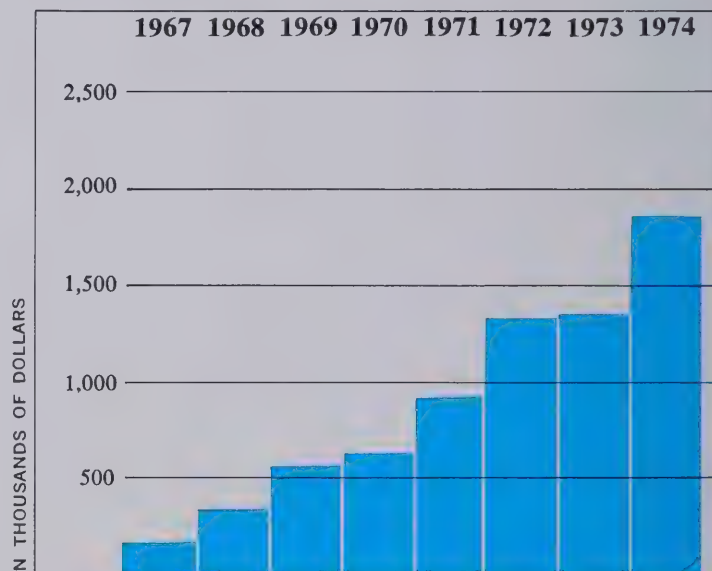
Numac owns 930,200 shares of Precambrian Shield Resources Limited, an active mining exploration company which occasionally has exploratory programs in which Numac participates.

## REAL ESTATE

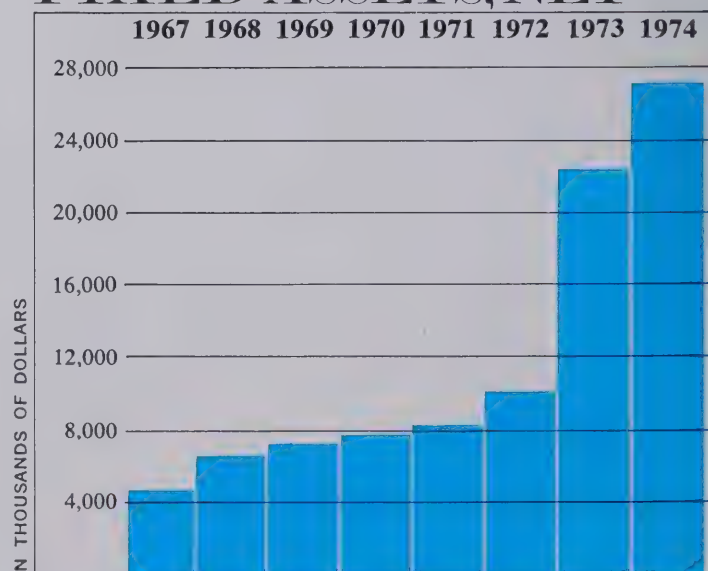
The Petroleum Plaza office building complex in Edmonton was completed on schedule in May, 1974. The two towers are both 100% leased to prime tenants. Numac effectively owns a 60% interest in the complex through its equity ownership in Nu-Alta Developments Ltd. The financial statements of Nu-Alta have been included in the consolidated financial statements in this report.

Numac also owns certain other real estate properties in the Edmonton area which are strategically located to benefit from the future development of the Mackenzie Delta and Athabasca Oil Sands. There are no plans for the near term development of these properties.

## NET INCOME BEFORE EXTRAORDINARY ITEMS



## FIXED ASSETS, NET





Gross revenue, net funds generated from operations and net income increased in 1974. Gross income was \$6,404,029 (1973 - \$4,582,396); net funds generated from operations \$4,060,090 (1973 - \$3,361,734); and net income was \$1,892,116 (1973 - \$1,396,708).

### Accounting Policy Changes

Due to new directives from regulatory authorities in Canada and changes in the nature of certain operations, the Company in 1974 had three changes in accounting policy, two of which caused significant changes in the presentation of the consolidated financial statements.

In response to a directive of the Canadian Provincial Securities Administrators in March 1974 the Company retroactively adopted the allocation method of accounting for all income taxes deferred to future years. The Company, along with a majority of Petroleum companies in Canada, had previously adopted the policy of providing for deferred taxes only with respect to accelerated write-offs of tangible assets. The change has been made on a fully retroactive basis and accordingly the prior years' results have been restated. As a result of this change, a deferred income tax provision of \$924,145 (\$.21 per share) has been made in 1974 resulting in a corresponding reduction in net income. Net income for 1973 has been restated by a similar change in the amount of \$944,532 (\$.22 per share).

The other accounting policy change of significance was that effective January 1, 1974, the Company retroactively adopted the policy of consolidating all subsidiaries in which it has ownership of more than 50% of the voting capital stock. This change resulted in including in the consolidated statements, the accounts of Nu-Alta Developments Ltd., a 60% owned real estate development company, which financial results were previously accounted for on the equity basis. This change in accounting policy had no effect on the consolidated net income reported in 1974 or 1973 but it did cause a significant increase in gross income and expense items in the Statement of Income, the reporting of major additional sources and applications of funds in the Statement of Changes in Financial Position, and a substantial increase in the fixed assets and liabilities reported in the Balance Sheet. Prior to June 1, 1974, Nu-Alta Developments Ltd. was active solely in the development and construction of an office tower complex located in the City of Edmonton, and accordingly had no income or expense.

### Full Cost Accounting

As explained in Note 1(b) to the consolidated financial statements, the Company and its subsidiaries follow the full cost method of accounting for oil and gas operations.

Cost centers have been established by areas of interest in order to meaningfully relate costs and hydrocarbon reserves. Management believes oil sand reserves and costs should be segregated from conventional reserves and costs; foreign exploratory operations are also different in nature; and the Mackenzie Delta has been segregated because otherwise a major oil or gas discovery on Company properties in that area would completely distort the unit-of-production cost of conventional oil and gas in Western Canada, to the extent the Company's overall unit cost of finding and developing reserves may be negligible.

### Sources of Revenue and Net Income

The following table indicates, for the years shown, the percentages of the Companies revenues and net income before taxes and extraordinary items which are represented by its major sources of income.

	1974	1973	1972	1971	1970
<b>Percentage of Revenues:</b>					
Oil and gas operation	39.3	45.5	38.5	45.2	53.6
Oilfield construction	37.4	54.5	61.5	54.8	46.4
Real estate	23.3	—	—	—	—
<b>Percentage of Net Income before taxes and extraordinary items:</b>					
Oil and gas operation	53.4	46.9	37.2	55.5	69.1
Oilfield construction	45.8	53.1	62.8	44.5	30.9
Real estate	0.8	—	—	—	—

### Other Financial Conditions

The Company maintained a healthy working capital of \$5,661,175 as at December 31, 1974.

Expenditures on exploration, development, and research totalled \$3,246,740 in 1974.

### Government Royalties and Taxes

The year 1974 was a chaotic year for Canadian explorers and producers. The O.P.E.C. price increases which led the governments in Canada to take action which, inadvertently or otherwise, caused explorers to consider significantly decreasing their exploration programs in Canada.

By year end the oil industry had a guide as to what the royalty and corporate income tax situation would be in Canada, but officially nothing was passed by federal parliament or provincial legislature. The Alberta Government's December Plan provided the oil industry with its only stimulant in 1974. The Alberta Plan was designed to aid smaller to medium sized companies producing less than 4,000 barrels of crude oil, or equivalent, per day at current prices in the Province of Alberta. Numac, fortunately, produces approximately 99% of its crude oil and natural gas in the Province of Alberta.



**NUMAC OIL & GAS LTD.  
AND SUBSIDIARY COMPANIES**  
**CONSOLIDATED**  
**STATEMENT OF INCOME**  
**YEARS ENDING DECEMBER 31, 1974 AND 1973**

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	1974	1973
<b>INCOME</b>		
Gross operating income	\$ 5,873,259	\$ 4,028,821
Investment income	480,496	498,409
Supervision and sundry	50,274	55,166
	<u>6,404,029</u>	<u>4,582,396</u>
<b>EXPENSES</b>		
Operating expense	1,376,833	909,888
General and administrative expense	473,996	310,774
Interest on long-term debt	745,694	—
Provision for depletion, depreciation and amortization	1,015,429	1,040,320
	<u>3,611,952</u>	<u>2,260,982</u>
<b>NET INCOME BEFORE THE UNDERNOTED</b>	<u>2,792,077</u>	<u>2,321,414</u>
Gain on sale of equipment	49,996	19,826
<b>NET INCOME BEFORE DEFERRED INCOME TAXES</b>	<u>2,842,073</u>	<u>2,341,240</u>
Provision for deferred income taxes (Note 3)	924,145	944,532
<b>NET INCOME BEFORE MINORITY INTEREST</b>	<u>1,917,928</u>	<u>1,396,708</u>
Income applicable to minority interest	25,812	—
<b>NET INCOME</b>	<u>\$ 1,892,116</u>	<u>\$ 1,396,708</u>

**CONSOLIDATED STATEMENT OF RETAINED EARNINGS**  
**YEARS ENDING DECEMBER 31, 1974 AND 1973**

<b>RETAINED EARNINGS, beginning of year</b>		
As previously stated	\$ 9,924,307	\$ 7,583,067
Retroactive adoption of income tax allocation method of accounting (Note 2)	3,640,391	2,695,859
As restated	6,283,916	4,887,208
Add Net income	1,892,116	1,396,708
<b>RETAINED EARNINGS, end of year</b>	<u>\$ 8,176,032</u>	<u>\$ 6,283,916</u>

**EARNINGS PER SHARE**  
**(BASED ON WEIGHTED AVERAGE OF OUTSTANDING SHARES)**  
**YEARS ENDING DECEMBER 31, 1974 AND 1973**

<b>NET INCOME</b>	<u>44¢</u>	<u>33¢</u>
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The accompanying notes are an integral part of the financial statements.



**NUMAC OIL & GAS LTD.  
AND SUBSIDIARY COMPANIES**

**CONSOLIDATED STATEMENT OF  
CHANGES IN FINANCIAL POSITION  
YEARS ENDING DECEMBER 31, 1974 AND 1973**

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	<b>1974</b>	<b>1973</b>
<b>SOURCE OF WORKING CAPITAL</b>		
Income	\$ 6,404,029	\$ 4,582,396
Provincial royalty tax credit	252,584	—
Less: Operating, general and administrative and interest expenses	(2,596,523)	(1,220,662)
Net funds from operations	4,060,090	3,361,734
Proceeds of long term debt, net	1,956,155	7,379,235
Minority interest	25,812	782,400
Issue of share capital	—	1,579,090
Sale of property and equipment	120,057	39,174
	<u>6,162,114</u>	<u>13,141,633</u>
<b>APPLICATION OF WORKING CAPITAL</b>		
Fixed assets	5,681,048	13,482,853
Increase in investments and long term receivables	154,892	533,409
	<u>5,835,940</u>	<u>14,016,262</u>
<b>INCREASE (DECREASE) IN WORKING CAPITAL</b>	<b>326,174</b>	<b>(874,629)</b>
Working capital, beginning of year	<u>5,335,001</u>	<u>6,209,630</u>
<b>WORKING CAPITAL END OF YEAR</b>	<b>\$ 5,661,175</b>	<b>\$ 5,335,001</b>

The accompanying notes are an integral part of the financial statements.



NUMAC OIL & GAS LTD.  
AND SUBSIDIARY COMPANIES  
**CONSOLIDATED BALANCE SHEET**  
AS AT DECEMBER 31, 1974 AND 1973

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ASSETS	1974	1973
<b>CURRENT ASSETS</b>		
Marketable securities, at cost (Market value \$4,231,834; 1973 \$5,863,880)	\$ 5,088,910	\$ 6,045,452
Accounts receivable	1,459,710	991,567
Prepays and deposits	408,842	61,988
	<u>6,957,462</u>	<u>7,099,007</u>
<b>INVESTMENTS AND LONG TERM RECEIVABLES</b>	<u>1,324,081</u>	<u>1,169,189</u>
<b>FIXED ASSETS, at cost</b>		
Buildings and land	11,104,905	9,492,875
Oil and gas properties, mining and research costs	16,352,328	13,253,415
Production and other equipment	4,520,311	3,846,465
	<u>31,977,544</u>	<u>26,592,755</u>
Less: Accumulated depletion, depreciation and amortization	4,949,059	4,134,016
	<u>27,028,485</u>	<u>22,458,739</u>
	<u><u>\$35,310,028</u></u>	<u><u>\$30,726,935</u></u>

ON BEHALF OF THE BOARD

*W. S. Mc Gregor*

Director

*G. H. MacLean*

Director

The accompanying notes are an integral part of the financial statements.



<b>LIABILITIES</b>	<b>1974</b>	<b>1973</b>
<b>CURRENT LIABILITIES</b>		
Bank loan — secured	\$ 275,000	\$ 795,000
Accounts payable and accruals	1,021,287	969,006
	<u>1,296,287</u>	<u>1,764,006</u>
<b>LONG TERM DEBT</b> (Note 4)	9,335,390	7,379,235
<b>MINORITY INTEREST IN SUBSIDIARY COMPANIES</b>	808,212	782,400
<b>DEFERRED INCOME TAXES</b> (Note 3)	4,817,120	3,640,391
	<u>16,257,009</u>	<u>13,566,032</u>
<b>CONTINGENT</b> (Note 5)		
<b>SHAREHOLDERS' EQUITY</b>		
<b>SHARE CAPITAL</b> (Note 6)		
Authorized		
5,000,000 shares without nominal or par value		
Issued		
4,325,566 shares	10,876,987	10,876,987
<b>RETAINED EARNINGS</b>	8,176,032	6,283,916
	<u>19,053,019</u>	<u>17,160,903</u>
	<u>\$35,310,028</u>	<u>\$30,726,935</u>

## AUDITORS' REPORT

To the Shareholders of  
Numac Oil & Gas Ltd.

We have examined the consolidated balance sheet of Numac Oil & Gas Ltd. and subsidiary companies as at December 31, 1974 and 1973 and the consolidated statements of income and retained earnings and changes in financial position for the years then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at December 31, 1974 and 1973 and the results of their operations and the changes in their financial position for the years then ended, in accordance with generally accepted accounting principles applied, after giving retroactive effect to the changes in accounting policy as referred to in Note 2 to the financial statements, on a basis consistent with that of the preceding year.

EDMONTON, Alberta  
March 7, 1975

WINSPEAR HIGGINS STEVENSON & CO.  
Chartered Accountants



# NUMAC OIL & GAS LTD. AND SUBSIDIARY COMPANIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDING DECEMBER 31, 1974 AND 1973

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### NOTE 1 — ACCOUNTING POLICIES

#### (a) Principles of Consolidation

The consolidated financial statements include the accounts of all companies in which the Company has ownership of more than 50% of the voting capital stock. This represents a change in accounting policy as referred to in Note 2(a).

#### (b) Full Cost Method of Accounting

The Company and its subsidiaries follow the full cost method of accounting for oil and gas operations, whereby all costs relative to the exploration for and development of such reserves are capitalized. Such costs include land acquisition costs, geological and geophysical expense, carrying charges of non-producing property, costs of drilling both productive and non-productive wells and overhead related to exploration activities. The costs are accumulated in cost centers as follows:

- (i) North America — Canada (excluding Frontier Areas and Athabasca Oil Sands) and the United States.
- (ii) Canadian Frontier
- (iii) Athabasca Oil Sands
- (iv) Outside North America.

Costs accumulated in the North America cost center are depleted using the composite unit-of-production method based upon estimated proven reserves of oil and natural gas. The unit-of-production cost, net before royalty, per barrel of crude oil and natural gas equivalent in 1974 and 1973 was \$0.77 and \$0.81 respectively.

The Canadian Frontier cost center, as at December 31, 1974 and 1973, consists solely of the Company's net carried interest in the Mackenzie Delta, N.W.T. which is recorded in the accounts at a nominal \$1.00.

Exploration and similar costs relating to the Athabasca Oil Sands have been capitalized in a separate cost center and the related oil sand reserves have been excluded from conventional North American oil and gas reserves.

Costs and expenses of acquiring oil and gas interests outside of North America have been capitalized pending the outcome of exploration and related activities in each area of interest. It is expected that such costs will be depleted on the composite unit-of-production method if sufficient reserves are developed. Commencing January 1, 1974, costs incurred prior to reserve development are being amortized at an annual rate of 10%. This represents a change in accounting policy as referred to in Note 2(b).

#### (c) Mining Costs

Acquisition and exploration costs of mining properties are treated on a project basis wherein costs are not charged to expense unless a project is abandoned. Revenue from farmout arrangements of mining properties is not taken into income unless the proceeds exceed the total project cost.

#### (d) Canadian Arctic Gas Study Group

Costs incurred in connection with the company's participation in the Canadian Arctic Gas Study Group have been capitalized. The eventual method of disposition of these costs will be established upon determination of the outcome of the study.

#### (e) Depreciation

Depreciation of earth moving equipment, automotive equipment, trailers, camps, shop machinery, furniture and fixtures is calculated on a straight-line basis at rates varying from 10% to 20%; production lease equipment is by the straight-line method at 7%; and real estate buildings on the sinking fund method at 5% over a term of 40 years.

#### (f) Income Tax Allocation Accounting

In response to a ruling of the Canadian Provincial Securities Administrators in March 1974, the Company retroactively adopted the allocation method of accounting for income taxes as required by the Canadian Institute of Chartered Accountants. This represents a change in accounting policy as explained in Note 2(c).

### NOTE 2 — CHANGES IN ACCOUNTING POLICY

(a) Prior to January 1, 1974 the investment in Nu-Alta Developments Ltd., a 60% owned real estate development company, was accounted for on the equity basis. From the date of incorporation of this company October 1, 1971, to May 31, 1974 its activities were solely the development and construction of an office tower complex located in the City of Edmonton, and accordingly had no income or expense. For accounting purposes the project was considered complete on May 31, 1974 and therefore the consolidated statement of income for 1974 includes seven months' income and expense for this company and the consolidated statement of changes in financial position and the balance sheet includes capital transactions on a fully retroactive basis for 1974 and 1973.

(b) Prior to January 1, 1974, the Companies capitalized all foreign exploration and related costs with the intention such costs would be depleted on the composite unit-of-production method if sufficient reserves were developed. Commencing January 1, 1974, these costs are being amortized at the annual rate of 10%. The effect of this change in accounting policy on 1974 and 1973 earnings is not significant. Unamortized costs at December 31, 1974 and 1973 amounted to \$181,482 and \$147,268 respectively.

(c) As referred to in Note 1(f), the Companies adopted the allocation method of accounting for income taxes for all timing differences on a fully retroactive basis effective January 1, 1974. As a result of this change a deferred income tax provision of \$924,145 has been made in 1974



resulting in a corresponding reduction in net income (\$.21 per share). Net income for 1973 has been restated by a similar change in the amount of \$944,532 (\$.22 per share).

### NOTE 3 — INCOME TAXES

On November 18, 1974 the Canadian Government introduced budgetary proposals to amend the Income Tax Act. These included a number of changes, several having retroactive effect to the date of an earlier budget on May 6, 1974, that will substantially increase the income taxes of the resource industries. The proposals, among other measures, deny the deduction of royalties and similar payments to governments and impose limitations on the deduction of certain development expenses and on depletion allowances; they are accompanied by some reduction in the rate of income tax applicable to resource production profits. Responding to this action, the Province of Alberta is proposing to make grants in the nature of tax rebates and, in addition is proposing credits of other than a tax nature in order to provide some measure of relief to resource companies from the additional Federal tax levies. Although the legislative amendments have not yet been enacted, and indeed some of the proposals have not yet been set out in sufficient detail to remove doubt as to their ultimate effect, the 1974 deferred income tax provision in the accompanying financial statements has been computed on the basis of taking them into account on the best information available. Deferred income taxes for the year ended December 31, 1974 in the amount of \$1,176,729 are reduced by provincial rebates approximating \$252,584 for a current provision of \$924,145.

Under Canadian income tax law most exploration and development expenditures, including resource property acquisition costs, are deductible on various bases which generally have the effect of permitting such deductions to be made for tax purposes in advance of their being charged off in the books. Capital cost allowances for depreciable assets are also deductible in advance of depreciation charged in the accounts. As a result, no income taxes were actually payable for the 1974 and 1973 fiscal years although, as explained in Note 1(f), provision has been made in the accounts for the taxes deferred as a result of such deductions exceeding expenses charged in the income statement. At December 31, 1974 the Company had approximately \$857,274 (December 31, 1973 — \$1,164,293) of unclaimed drilling and exploration expenditures and approximately \$9,233,573 (December 31, 1973 — \$8,381,802) of undepreciated capital costs available for deduction in the tax returns for future years.

Effective May 6, 1974, statutory depletion is allowed at 25% of "resource profits" subject to a limit of \$1 allowance for every \$3 of "eligible expenditures". At December 31, 1974 and at December 31, 1973 the remaining earned depletion allowance limit based on eligible expenditures amounted to approximately \$4,099,000 and \$2,256,000 respectively for tax purposes.

### NOTE 4 — LONG TERM DEBT

The long term debt relates to and is secured by specific real estate properties.

	Nu-Alta Developments Ltd.	Numac Oil & Gas. Ltd.
1¼ % above the 180 day Inter-Bank Euro-Dollar rate in U.S. funds fully hedged, due December, 1982 and prepayable without penalty upon 90 days notice	Can. \$8,843,910	
8% mortgage, due January 15, 1979		\$ 375,000
8% mortgage, due Decem- ber 1, 1978		116,480
		491,480
	\$8,843,910	8,843,910
		\$9,335,390

The aggregate amount of maturities of long term debt in each of the five years subsequent to December 31, 1974 are as follows:

1975	\$ 214,120
1976	254,120
1977	304,120
1978	354,120
1979	475,000

### NOTE 5 — CONTINGENCY

As at December 31, 1974 the Company has deposited \$200,000 on certain property which will be forfeited in 1976 if the property is not acquired.

### NOTE 6 — SHARE CAPITAL

Under the Company's key employee stock purchase plan, established in 1973, 90,000 shares have been reserved for purchase and immediate resale by a Trustee to key employees at the average sale price of the Company's shares on the day immediately preceding the transaction. In 1973, 80,000 shares were sold to the Trustee and resold to employees under the plan at prices ranging from \$15.00 to \$18.38 per share. The total purchase price of the shares, \$1,244,150, was advanced by the Company to the Trustee and is included in investments and long term receivables in the accompanying balance sheet.

### NOTE 7 — REMUNERATION OF SENIOR OFFICERS AND DIRECTORS

In accordance with the provisions of the Companies Act (Alberta), it is reported that the remuneration paid to the senior officers of the Companies amounted to \$219,794 (1973 — \$208,705) and directors' fees amounted to \$4,500 (1973 — \$3,750).

# TEN YEAR STATISTICAL SUMMARY

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	1974	1973	1972
Gross Income, net after royalties	\$ 6,404,029	4,582,396	4,050,644
Operating Expense	\$ 1,376,833	909,888	772,766
General and Administrative	\$ 473,996	310,774	254,357
Net Funds Generated from Operations	\$ 4,060,090	3,361,734	3,008,755
— per share	\$ .94	.79	.72
Depletion and Depreciation	\$ 1,015,429	1,040,320	811,467
Deferred Income Tax Provision	\$ 924,145	944,532	918,514
Net Income, before Extraordinary Items	\$ 1,892,116	1,396,708	1,340,474
— per share	\$ .44	.33	.32
Net Income	\$ 1,892,116	1,396,708	1,387,543
— per share	\$ .44	.33	.33
Long Term Debt	\$ 9,335,390	7,379,235	—
Deferred Income Taxes	\$ 4,817,120	3,640,391	2,695,859
Fixed Assets, net	\$27,028,485	22,458,739	10,035,554
Capital Expenditures	\$ 5,681,048	13,482,853	3,078,816
Shareholders' Equity	\$19,053,019	17,160,903	14,185,105
Working Capital	\$ 5,661,175	5,335,001	6,209,630
Common Shares Outstanding	4,325,566	4,325,566	4,181,066
Land Holdings			
Gross Acres	1,404,673	1,640,485	1,579,474
Net Acres	433,136	534,054	509,586



1971	1970	1969	1968	1967	1966	1965
3,473,612	2,980,420	2,421,679	1,386,325	653,135	485,741	353,488
970,585	827,147	932,427	385,789	93,146	57,254	34,611
233,974	184,333	158,404	112,670	82,876	60,946	46,928
2,213,761	1,869,333	1,220,286	805,510	432,954	340,074	288,200
.53	.45	.29	.23	.14	.11	.09
711,930	685,022	495,246	301,213	192,744	196,462	131,068
604,159	656,042	217,179	160,411	52,465	23,753	44,402
897,672	528,269	507,861	343,886	187,745	119,859	127,730
.21	.13	.12	.10	.06	.04	.04
1,592,325	528,269	586,621	314,370	187,745	119,859	112,730
.38	.13	.14	.09	.06	.04	.04
60,000	120,000	180,000	240,000	—	—	—
1,777,345	1,173,186	517,144	299,965	139,554	87,089	63,336
8,199,844	7,960,880	7,163,968	6,403,755	4,767,132	3,388,668	2,764,274
2,160,517	1,619,712	1,367,452	2,315,234	1,622,144	715,995	651,100
12,797,562	11,205,237	10,557,167	9,975,534	5,078,152	4,858,136	4,738,277
5,899,236	4,225,526	3,816,730	3,640,098	147,996	1,241,553	1,778,017
4,181,066	4,181,066	4,179,566	4,177,566	3,209,925	3,200,000	3,200,000
1,187,768	1,172,877	1,427,533	2,514,639	1,597,111	1,365,155	921,100
281,161	354,876	422,655	1,160,115	1,121,752	1,052,521	735,470

NOTE: The above Statistical Summary includes the operations of Numac Oil & Gas Ltd. and subsidiary companies from date of acquisition. It also reflects retroactive adjustments due to the adoption of the full-cost method of accounting effective January 1st, 1968 and adoption of the allocation method of accounting for all income taxes deferred to future years effective January 1, 1974 on a fully retroactive basis.

# NUMAC OIL & GAS LTD., 1974 ANNUAL REPORT

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Numac Oil & Gas Ltd. was incorporated under the laws of the Province of Alberta on March 16, 1963.  
The annual meeting of shareholders will be held at 9:00 a.m., June 24, 1975, in the Edmonton Plaza Hotel, Edmonton, Alberta.

## BOARD OF DIRECTORS

**RALPH A. BARD Jr.,**  
Executive  
Chicago, Illinois

**LAWRENCE L. BELL,**  
Executive  
Toronto, Ontario

**HADLEY CASE,**  
Chairman, Felmont Oil Corporation  
New York, N.Y.

**ALEXANDER N. MacIVER,**  
Barrister & Solicitor  
Edmonton, Alberta

**STEWART D. McGREGOR,**  
Barrister & Solicitor  
Edmonton, Alberta

**WILLIAM S. McGREGOR,**  
President  
Numac Oil & Gas Ltd.  
Edmonton, Alberta

**JACK W. ROBBINS,**  
Senior Vice-President and  
General Counsel, Pitcairn Incorporated  
Jenkintown, Penn.

**MARSHAL STEARNS,**  
President, T. A. Richardson &  
Co. Limited  
Toronto, Ontario

**LLOYD F. STEVENS,**  
Executive Vice-President,  
Allpak Products Limited  
London, Ontario

## OFFICERS

**WILLIAM S. McGREGOR,**  
President and Managing Director

**DONALD F. BAKER,**  
Vice-President, Engineering

**JOHN T. FERGUSON,**  
Vice-President and Treasurer

**C. R. S. MONTGOMERY,**  
Vice-President and Secretary

**WILFRED J. WILSON,**  
Vice-President, Exploration

**ALEXANDER N. MacIVER,**  
Assistant Secretary

### Head Office

9915 - 108 Street, Petroleum Plaza - South Tower,  
Edmonton, Alberta

### Registrars and Transfer Agents

The Royal Trust Company, Edmonton, Montreal, Toronto  
The Canadian Bank of Commerce Trust Company, New York

### Auditors

Winspear Higgins Stevenson & Co., Edmonton, Alberta

### Solicitors

Jackson, Arlette and MacIver, Edmonton, Alberta

### Listing

Toronto Stock Exchange  
American Stock Exchange

### 10-K Report

A copy of the company's current annual 10-K Report filed with the United States Securities and Exchange Commission will be available to shareholders after April 1, 1975, upon written request to the Secretary of the Company.







NUMAC OIL  
& GAS  
LTD.